

# **On-The-Job Training (OJT)**

## **Frequently Asked Questions**

**August 23, 2011**

### **1. What employers are eligible?**

Employers must meet the following conditions:

- a. Be registered with Hawaii Compliance Express (<https://vendors.ehawaii.gov/hce/>);
- b. Provide adequate supervision and training to OJT employee;
- c. Be likely to retain the OJT employee after completion of the OJT ;
- d. Complete all necessary documentation for OJT contract, invoices, and reports;
- e. Be willing to have their records and training regarding the OJT contract subject to monitoring or audit;
- f. Not have laid off workers in jobs similar to the OJT position over the last 120 days except where the employer made a good faith effort to recall laid-off employees and was unsuccessful; and
- g. Not have relocated part or all of the business, which resulted in the loss of employment at the original site.

### **2. What is Hawaii Compliance Express?**

The HCE is an electronic system that allows vendors doing business with state or county agencies to quickly and easily obtain proof that they are compliant with applicable laws. The HCE certificate, "Certificate of Vendor Compliance," allows this single printable electronic certificate to verify tax clearance, labor certificate, and a Certificate of Good Standing to do business in the State of Hawaii.

There is a small annual fee for registering.

### **3. What kinds of jobs are eligible for OJT?**

OJTs are targeted for high-skill, high-wage jobs where an employer is willing to hire and train an individual who is not fully qualified to perform the work. It *cannot* be used to displace a current employee.

### **4. Can an employer use an OJT for a former employee who was laid off from a *different* job?**

Yes, if the former employee meets eligibility criteria and the different job requires significantly different skills from previous experience, as determined by One-Stop Center staff in consultation with the employer. This also depends on whether collective bargaining agreements affect the rehire (see item 8. below), the employer's personnel policies, and item 5 above.

**5. Is there a limit on number of OJTs an employer may have?**

Yes, each One-Stop Center will determine the limit based on whether the employer will be able to provide adequate supervision and training for the employees under OJTs. Generally, a supervisor should have no more than one (1) OJT at a time although exceptions may be made by One-Stop Center staff depending on adequacy of supervision.

Because there can only be a limited number of OJTs based on availability of funds, each employer's worksite generally will be capped to a certain number of OJTs in a fiscal year. Each One-Stop Center will determine the caps in their local area based on an assessment of need among employers.

**6. Can an employer pay an OJT employee *more* than another non-OJT employee because of the wage reimbursement?**

No, an employer must pay the OJT employee the wages and fringe benefits that are comparable to other employees in similar jobs.

**7. What if the OJT position is covered by collective bargaining?**

The OJT should *not* infringe on the rights and benefits of OJT or non-OJT employees. If the OJT position is covered by collective bargaining, the applicable union must agree to the OJT before the OJT can be executed.

**8. As an employer, what if I hired someone and want to consider that person for OJT? Can I refer that person to the One-Stop Center to get into OJT?**

No, a training plan and OJT contract must be developed for an individual with an employer *prior to* the person being hired and starting work. Once the individual is hired or starts working, that position is no longer eligible for an OJT because the employer no longer requires an incentive to hire the individual.

**9. As an employer, how much advance notice must I give the One-Stop Center if I'm interested in participating in OJT?**

If you are completely new to OJTs and federal programs, it may take a month or more, depending on your status as a business, tax clearances, and availability of appropriate individuals for the position to be filled by an OJT worker. Because of anticipated high demand for OJTs, appointments may need to be scheduled to address your inquiries. Please contact the nearest One-Stop Center Office to get more information.

**10. As an employer, what steps are involved?**

Each OJT is developed on an individual basis, both for the employer and the jobseeker; thus, steps may vary.

Following the employer's registration in Hawaii Compliance Express, if the One-Stop Center staff finds an appropriate individual who meets the eligibility criteria for federal programs, and you are willing to hire that person, you would then work with the One-Stop Center staff to develop a training plan and OJT contract. Following execution of the OJT contract, you can hire the worker under the OJT.

**11. Is the wage reimbursement a wage subsidy?**

No, the wage reimbursement is *not* considered to be a wage subsidy. It is meant to cover *extraordinary costs* of the employer to *train and supervise* an individual who is not fully qualified for the job. The percent reimbursement is a formula approved by the federal government to calculate the amount of extraordinary training costs of an employer.

**12. Is an employee under an OJT a regular employee, or is the individual hired after completing the OJT?**

An individual covered in an OJT is *employed* by the employer from the *first day of work under the OJT* with the wages, fringe benefits, and other benefits of a new employee.

**13. How soon will employers receive their reimbursements?**

Employers should contact the One-Stop Center Office to get the specific timetable for their reimbursements. Generally, the first reimbursement will take more than a month because an account will need to be established for the employer. After that, if the invoices are internally consistent and match the terms, e.g., wages to be paid, that are in the OJT agreement, it will take about a month after receipt of the invoice for a reimbursement to be issued.

**14. As an employer, is there a cap to the amount of wages that may be reimbursed under OJTs?**

Yes, different federal programs have slightly different requirements. Contact your nearest One-Stop Center for more information.

**15. Can staffing agencies get OJTs?**

If the OJT is for a person to be employed by a staffing agency but placed with another business, that position *cannot* be covered by an OJT. That is because the staffing agency generally places persons on a *temporary* basis with another business, and supervision and training are not provided by the staffing agency but by the business benefitting from the position. However, if the staffing agency has a position located within their firm and the staffing agency is providing the training and supervision, that position may be covered by an OJT provided it meets other requirements for OJT.

**16. Are there other requirements for OJTs?**

Yes, other federal, state, and local laws, rules, or policies may apply. Your OJT contact at the One-Stop Center Office can tell you more.